

LOCKOUT ACTION AND SERVICE DELIVERY: A MODERATING ROLE OF LEADERSHIP IN MANUFACTURING SECTOR

Elenwo, Nchelem Worlu
Department of Management, Faculty of Business Studies
Ignatius Ajuru University of Education, Port Harcourt, Rivers State, Nigeria

ABSTRACT

This paper investigated lockout action and service delivery in manufacturing sector. Industrial disputes such as lockout action, whenever or wherever it happens tends to have debilitating psychological effects on the workers involved; conflict usually have negative impact on the morale of employees. A sudden outbreak of conflict changes work performance and/or personal behaviour that could signal the beginning of problems at the workplace. The findings were made: That lockout actions influence quality service delivery and leader style as a moderating effect lockout action and service delivery. It was therefore, recommended that government should enforce and ensure that Nigerian labour laws are complied with by all company management/executives, setting up of good negotiation panel/communication network on matters concerning terms and conditions of employment and performance of the organization.

Keyword: Lockout Action, Service deliver, Leadership style Manufacturing.

INTRODUCTION

There are number of factors that contribute to the success of any organization, these factors include: capital, equipment, manpower, environment and parties in business. All these factors are important but the most significant factor is the human factor since it is the people that will put the other resources to work. It should be viewed as such by management by giving due attention to human relations in order to achieve the organizational goals and objectives. The main objective of setting up a company is to make profit and to achieve its organizational goals therefore, adequate industrial relations' programmes that support industrial harmony should be put in place to enhance productivity. Therefore, for manufacturing companies to be productive and yet achieve industrial harmony there are certain factors that have to be recognized such as the interactions among stakeholders in the organization, which includes the relationship between employers, employees, rivals/competitors, host communities and the government. The researchers are saying that the activities of these people have relationship in one way or the other with the productivity of the enterprise particularly the manufacturing firms since human beings are the main resource of the manufacturing companies in Nigeria. This is because interactions between members of any unit are not devoid of disagreements or conflict situations and the time spent in resolving these disagreements affects the productivity of the individual employee as well as the organization directly or indirectly. For the past decade, there has been series of academic unrest as a result of incessant strike actions year-in year- out. Lecturers complain of inadequate funding of the universities, wage rate issues and retirement age/benefits and more. As a result of poor response on the side of the government (as the employer), the employees (Lecturers) and their unions frequently engage in strike actions thereby infringing on academic calendar which affects the competence of certified graduates, their duration of study and the scope of knowledge they acquired. The effect of this is multidimensional as it does not only affect the efforts of the lecturers alone but also has immeasurable negative impact on the graduates and the nation's economy at large. Here, the lecturers skills are not best utilized, the students are not well trained and the nation loses her potential human resources which has turned Nigeria to consumer than a productive Nation.

Pluralist Theory of Industrial Relations

The pluralist theory to industrial relations emanated from the positions of Sidney and Beatrice Webb in England, John R. Commons who is unarguably presumed to be the father of U.S. industrial relations, and members of the Wisconsin school of institutional labor economists in the early twentieth century. The views of pluralist theory were stipulated in the New Deal U.S. labor policies of the 1930s Great Depression Epoch and cemented in practice by a generation of postwar scholar-arbitrators, as mostly used by neo-classical scholars in the field of industrial relations.

Assumptions of this theory

The pluralist theory of industrial relations state that:

- 1) Disputes or conflicts are inevitable and they occur as a result of different opinions, values, and beliefs within the workplace.
- 2) Industrial disputes or conflicts can be avoided or minimized by involving the trade union representatives in decision-making processes.
- 3) Industrial disputes can be better managed through a system of negotiated trade-offs and settlements.
- 4) Collective bargaining deals with problems on a collective basis, as they are most efficient means for institutionalizing employment rules. Thus, management should ensure fairer outcomes by balancing employee and management power.

Implication of the Theory to the Study

This approach is more applicable in modern organizations such as manufacturing companies in Nigeria as it recognizes the importance of trade unions as legitimate representatives which enable employees to influence management decisions (Seniwoliba,2013). This can be effectively done when there is dispute (strikes and lockouts) in the system. The legitimate representatives enable the restoration of peace and harmony in the workplace which are drivers to workforce productivity (creativity, output and effective service delivery).

It is evident that there are divergent interests between capital and labour - employers seek to maximize or create wealth whilst employees seek to protect their well-being among manufacturing companies in Nigeria. The pluralist approach is a reflection of what is happening in sectors in the economy among others such as education, manufacturing, agricultural and construction industry. Organizations are made up of individuals who organize themselves into groups, each with its own interests, objectives and leadership. In practice, the pluralist theory encourages the formation of trade unions for the protection and promotion of employees' socio-economic interests. This mechanisms curtail industrial disputes (strikes and lockouts) while enhancing workforce productivity (creativity, output and effective service delivery) through the injection of industrial peace and harmony in the workplace setting.

Lockout Action

Critical examination of the meaning of lockout as suggested in this study shows that it is not all act of stopping the labour from work that is lockout hence the following does not constitute a lockout; Prohibiting an individual employee from work, Termination of employment by retrenchment, Termination of services of more than one person at a time, Declaration of a lockout by an employer merely on the ground that the employees have refrained from attending to work is not a lockout. The consequences of strikes and lockouts are detrimental to the industry and the nation's economy because they lead to lose of production (Mamoria, 2011). The manifestation of lock actions as conceptualized in this study would be seen in machine shutdown, premises lockdown and personnel lockdown.

Machine Shutdown

A *lockout* is a work stoppage or denial of employment initiated by the management of a company during a labor dispute. In contrast to a strike, in which employees refuse to work, a *lockout* is initiated by employers or industry owners. In the same vein machine shutdown is an industrial action initiated by the employer where the employer shuts the operating machines thereby deny the employees the opportunity to carry out their official and legitimate assignment (Zeb 2018). The reason for machine shutdown could be as a result of the existence of or apprehension of an industrial dispute, violence and damage to property (Okene 2014) by an employee or group of employees or as result of any other act capable of disrupting production process in the organisation. Consider a situation whereby the automated machine of the Coca-Cola Company Plc that produces over 10 000 bottles of minerals per day was shut down for a period of six months to one year. The implication is that; employee are not utilized, the production cost will increase, additional cost of retraining the employee is incurred, raw materials for production that has no alternative uses are lost leading to decrease in productivity of the organization. In essence, it will cost the company time and resources to revitalize and improve in order to increase the productivity of the employees.

Premises Lockout

This has to do with locking of the premises against members of staff. The bases for premises lockout was investigated considering the lawfulness of lockout within the framework of statutory provisions delineating the boundaries of industrial action and the immunities available under Nigerian statute law for torts committed by trade unions and their officials in the course of a trade dispute. It observes that lawful lockouts are virtually impossible in this country notwithstanding its democratic ideals. Whilst the constitution guarantees freedom of association and the right to join or form a trade union, existing statutory provisions negate the exercise of trade union activity in the form of strikes or lockouts. Based on the foregoing, the TUA (2005) has set the following conditions where lockout actions could be lawful:

1. It shall be lawful for one or more persons, acting on their own behalf or on behalf of a trade union or registered federation of trade unions or an individual employer or firm in contemplation or furtherance of a trade dispute, to attend at or near a house or place where a person resides or works or carries on business or happens to be, if they so attend merely for the purpose of peacefully obtaining or communicating information or of peacefully persuading any person to work or abstain from working, Trade Union Acts, (TUA, 2005):
 - i. No person shall subject any other person to any kind of constraint or restriction of his personal freedom in the course of persuasion (TUA, 2005).
 - ii. No trade union or registered federation of trade union or any member thereof shall in the course of any strike action compel any person who is not a member of its unions to join any strike or in any highways, institutions or premise of any kind for the purpose of giving effect to the strike (TUA, 2005).
2. Accordingly, the doing of anything declared by subsection (1) of this section to be lawful shall not constitute an offence under any law in force in Nigeria or any part thereof and in particular shall not constitute an offence under section 366 of the criminal code of any corresponding enactment in force in any part of Nigeria. Conversely, any attempt by the employer to carryout lockout Actions that is outside the prescription of this Act is therefore tagged as primitive lockout. It must be done in accordance with the law; that is devoid of violence, fight or destruction of lives and property. And to achieve this dignified state of affair, the government had established certain agencies to train the employers and the employees on matters of joint concern. In the recent years, Federal Government of Nigeria is concerned with the development of all workers to improve performance in their present job and to provide a solid basis for those who are growing up. Perhaps, this influenced her decision in establishing Industrial Training Fund (ITF) to cater for the training needs of employees in public and private sectors. Since four decades of its formation,

Industrial Training Fund (ITF) has been organizing and sponsoring training programmes and also encouraging greater involvement of employers, particularly small employers, in the organization and development of training exercises that would lead to the production of highly-skilled manpower to man various economy affairs of the country.

In view of the above, attempts are made in this study to discuss the influence of industrial conflicts on Workforce Productivity in manufacturing companies in Nigeria. This is necessary because if attention of government was not drawn to the effect of the primitive process in the work place, employers will revert to the primitive scientific management rather than the contemporary relationist management practices. This debate also buttress the claim by Elton Mayo that productivity of employees will drastically improve if they maintain good relationship than illuminated work environment. Therefore, workers should be obedient to their employers and are to be treated with respect by the employer in order to achieve improved workforce productivity.

Personnel Lockout

This is precisely the opposite of Machine Shutdown. This style of lockout ignores the machines and equipment blockage instead it is the refusal of the human elements of the company to enter their place of work for the purpose of compelling them to abide by the terms of contractual agreement. The employees are denied access to man the equipment sometimes because of high level of damages, or where the workforce resort to overtly expressing negative attitude to work by way of go-slow, Sit-down, Stay-in, Tool-down and Pen-down strikes etc. The provision in the Trade Dispute Acts also states that the employers owe their employees duty to provide job for them, duty to write testimonials for a departing employee and so on. Similarly, the employee owes the employer the duty of obedience, duty to use skill or care and indemnity, Duty to be free from misconduct, etc. It is therefore obvious to maintain that exhibiting the negative attitude(s) will warrant the employer to decision on personnel lockout that has the ability to determine the productivity of the workforce.

Conversely, prolonged or higher level of lockout can easily lead to layoff in the organization. When a company needs to downsize, it has two options regarding employees: layoff or termination. These terms often are used interchangeably, but they are not the same thing. According to an online job search expert, "Susan P. Joyce"; Alayoff is often called a reduction in workforce or downsizing, redundancy and usually more than one employee loses their job. Being laid off is not the same as being fired because it is not considered to be the fault of the employee rather, it is actually, the decision of the employer. When an employee leaves the organisation, the situation is known as separation. The cause of separation can be voluntary or involuntary. In the former, the employee decides to terminate his/her relationship with the employer, but when the employer initiates the separation, it is an involuntary separation. Being laid-off and fired are two types of involuntary separation, wherein laid off is due to the inability of the employer to give employment to the employee.

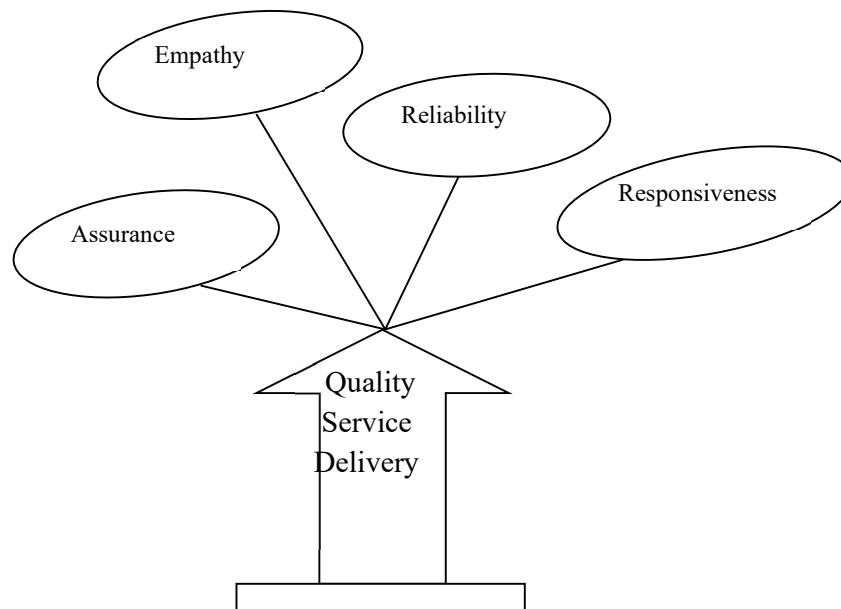
On the other hand, the firing of an employee occurs when the employee is terminated due to his/her fault. When an employee is laid-off, it is only for a short period, whereas when an employee is fired, he/she can never join the organization again. Lay off is targeted at an employee who is not of the greatest asset to your business and it happens to every company at some point in time. Whatever the reason may be, firing an employee with no advance signs or warning may result in serious repercussions for your company. Firing an employee can lead to wrongful termination lawsuits, fines for not following the law, and low team morale. Barring any extreme offenses, your employee should know if he's headed towards a layoff (Susan, 2019). A Post on "March 11, 2016" by Justworks (an online publication) in the work titled managing your team gave five ways to lead up to that moment of letting your employees go and four reasons for immediate termination. You should rarely encounter the need to fire an employee immediately, with exceptions like those listed below. In fact, most employees should be given indication if they are underperforming and given

a chance to improve their behavior. Listed below are five ways to lead up to that moment if you see it coming. Five Ways to lead up to that Moment of Letting your Employee Go, inter alia:

Quality Service Delivery

Quality service delivery could be seen as the regularity with which a service provider can provide efficient service to the customer Zeithamal, (1990). It is of the essence to note that organization cannot deliver adequately if the employees fail to provide quality service; therefore, every organization must be sure that their employees are productive to enable the organization to provide adequate quality service to their customers. In other words, service quality can be defined as the difference between customer expectation of service and the perceived service. Example; if expectation is greater than the satisfaction gained then the customer is dissatisfied. Simply put, service quality is a comparison of expectations with performance or an assessment of how well a delivered service conforms to the client's expectation. Quality service delivery could be considered in different scale depending on the expectation of the customer because what constitute quality service is not sacrosanct. It means different thing to different persons, and sometimes it connotes; Assurance - exciting, reliance and self-assurance, Empathy - compassion, personalized interests given to customers, Reliability - delivering on time and Responsiveness - willing to help customers and provide without delay.

Figure 2.6: Model of Quality Service Delivery



Source: Desk Researcher (2019).

The Quality service delivery tree above depicts the features to which quality of service will be accepted to be a good measure of employee productivity. In this sense, an employee is productive when his service is exciting, self-assuring, compassionate, delivering on time, willing to help customers and provide without delay in accordance with customers demand. To this effect, it is worthy to say that being creative or producing quality products is not enough to describe an employee as being productive without the customers having those goods in good condition, at the exact time and place it was expected and the ability of that product to satisfy the need for which it was meant. Gender-based inequities in organizations are reinforced and justified by stereotypes and biases that describe positive characteristics and therefore a higher status to the males. In other words, organizations prefer to hire male workers compared with women because they are

perceived to have better performance and ability to manage their jobs. Besides, according to Brown (2008) significant amount of workforce diversity remains ineffective if gender issues are not first recognized and managed. The research and study also state that the most constitutional challenge is overcoming the thought that woman are not equal to man. Kossek, Lobel, and Brown (2005) states only 54% of working-age women are in the workforce worldwide compared to 80% of men. Furthermore, women continue to have the upper hand on the "invisible care economy", which relates to care giving and domestic work. However, according to Levine and Thomas (2002), providing an equal job opportunity to women is vital to improve performance of employees in an organization. These societal mandates eliminated formal policies that discriminated against certain classes of workers and raised the costs to organizations that failed to implement fair employment practices. Discrimination on hiring workers based on gender has resulted in a firm's sharing workers who are paid higher wages than alternative workers, but are no more productive Barrington & Troke, (2001). Moreover, Wentling and Palma Rivas (2000) study states that organization with diverse workforce will provide superior services because they can understand customers better.

Concept of Leadership Style

Leadership is the set of managerial or leadership skills that an individual has to influence the way of being of the people or in a particular group of people, making this team work with enthusiasm, in the achievement of goals and objectives. It is also understood as the ability to take initiative, manage, convene, promote, encourage, motivate, and evaluate to a group or team. Of business administration leadership is the exercise of the Executive activity on a project, effectively and efficiently, be it personal, managerial or institutional (within the administrative process of the Organization). According to the dictionary of the Spanish language (1986), dictionary of behaviour Sciences (1956), defines it as other definitions are: "leadership is an attempt of interpersonal influence, directed through the communication process, the achievement of one or more goals or objectives. Leadership implies an unequal distribution of power. Members of the group do not lack of power; the way to activities of the group in different ways. Although, as a general rule, the leader will have the last word. The philosopher Hugo Landolfi defines leadership as: "leadership is the manifestative exercise of updates and refinements of a human being, called a leader, who is placed at the service of the achievement, through a mission of one or more objectives proposed by a vision for its action. Such a vision must align and necessarily subordinated to well last of man. The objectives proposed by the vision should include and consider those goals are individual - each of the people who make up the team of leadership-together with those who are organizational". The author Richard L. Daft, in his book the experience of leadership, defines leadership as: the relationship of influence that occurs between the leaders and their followers, whereby the two parties intend to arrive at changes and actual results that reflect the purposes that share. The basic elements of this definition are: leader, influence, intention, responsibility, change, shared purpose and followers.

There are various types of leadership, insofar as possible, the same, will be determined by three issues, on the one hand, by the formality in your election, on the other, by the relationship that is established between leader and followers and the kind of influence that holds the leader upon those who send. By the formality in your choice, we will find formal leadership (preset by the Organization) and (pop group) informal leadership. According to the second issue, we will find the following types: leadership dictator (force their ideas in the group, inflexible, likes order and destroy the creativity of others), leadership autocratic (the leader is the only one who makes decisions and organizes the group, does not need to justify decisions made), democratic leadership (the leader makes decisions after discussing them with the group who view and choose between alternative solutions that the leader presents), paternalistic leadership (decisions delivering rewards and punishments to their followers of agreement if they meet or not the slogans), liberal laissez faire leadership (leader delegated decisions to the group, members of the group have total freedom to decide). And according to the type of influence of the leader on his subordinates,

transactional leadership (the group members recognize the leader as such and as an authority), charismatic leadership (the leader has the ability to modify values, beliefs and attitudes of his followers), authentic leadership (one in which the leader focuses on lead to if same first), lateral leadership (between people of the same rank within an organization) and leadership at work (at work).

Empirical Review

The present study investigated the influence of industrial disputes and Workforce Productivity of Manufacturing Companies in Nigeria and the result showed that industrial unrests to a very significant extent has influence on the morale and behavior of the employee resulting in low productivity.

Tae-Yeol, Alice and Deog-Ro (2010) examined the relationships between proactive personality and employee creativity and the moderating roles of job creativity requirement and supervisor support for creativity in activating proactive personality associated with employee creativity. A rigorous test was conducted for the hypotheses. The study was conducted as a field study from a sample of 157 employee-supervisor pairs in South Korea. The results revealed that a proactive personality was positively associated with employee creativity. In addition, job creativity requirement and supervisor support for creativity jointly influenced the relationship between proactive personality and employee creativity. Specifically, proactive employees exhibited the highest employee creativity when job creativity requirement and supervisor support for creativity were both high.

Obiwuru, Okwu and Akpa (2011) investigated the effects of leadership style on organizational performance in small scale enterprises. The major objective was to determine effect of leadership styles on performance in small scale enterprises. Transformational and transactional leadership styles were considered in this study. Transformational leadership behaviours and performance/outcome considered relevant in the study were charisma, inspirational motivation and intellectual stimulation/individual consideration; and effectiveness, extra effort and satisfaction, respectively. Transactional leadership behaviours and performance/outcome variables were constructive/contingent reward and corrective/management by exception; and effort, productivity and loyalty/commitment, respectively. The study followed a survey design, and employed evaluative quantitative analysis method. Analysis was based on primary data generated through a structured Multifactor Leadership Questionnaire (MLQ) administered on respondents. Responses to research statements were scaled and converted to quantitative data via code manual developed for the study to enable segmentation of the data responses into dependent and independent variables based on leadership behaviours and associated performance variables. OLS multiple regression models were specified, estimated and evaluated. The result showed that while transactional leadership style had significant positive effect on performance, transformational leadership style had positive but insignificant effect on performance. The study concluded that transactional leadership style was more appropriate in inducing performance in small scale enterprises than transformational leadership style.

Chukwuemeka, Ugwu, Okey and Dan (2012) carried out a study to assess labour dispute and management in the local Government system in Nigeria with particular reference to Enugu State. Nature of management leadership approach, degree of labour conflict, trade dispute and strike, "zero" allocation, labour unrest were used as variables for the study. Descriptive Research method was adopted. The sample size was 401. Data were collected and analyzed. Essentially, the findings revealed that the organizational framework for management of dispute and grievances is poor. The study further revealed that other factors that heightened labour dispute include low participation of employees in taking key decisions, especially matters affecting them.

CONCLUSION

Industrial disputes whenever or wherever it happens tends to have debilitating psychological effects on the workers involved; conflict usually have negative impact on the morale of

employees. A sudden outbreak of conflict changes work performance and/or personal behaviour that could signal the beginning of problems at the workplace. The change can be due to poor communication between manager and employee repeated tardiness, absenteeism and misconduct. Furthermore, conflict create bad feelings, resentment and hostility that would not enable the employees to work together as a team and a resultant decline in work performance, low productivity, loss of customers, high labour turnover, adverse effects on the goodwill of the organization and complete collapse of the organization”.

1. Government should enforce and ensure that Nigerian labour laws are complied with by manufacturing companies’ management/executives to reduce strike and lockout actions.
2. Setting up of good negotiation panel/communication network on strike and lockout matters concerning terms and conditions of employment and performance of manufacturing companies should be prioritized by management.
3. There should be instant redress to strike and lockout problems of workers and homogeny in the management of workforce’ complaints.

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